



# THE PACIFIC FOREST TRUST

*Our Private Forests are Our Public Treasures.*

## **Comments from The Pacific Forest Trust on the Climate Action Team Report to the Governor and Legislature – Draft for Public Review Submitted January 31, 2006**

The Pacific Forest Trust (PFT) appreciates the opportunity to submit comments regarding the Climate Action Team Report to the Governor and Legislature – Draft for Public Review. PFT has actively participated in the Climate Action Team (CAT) public workshop process and commends the CAT for actively seeking input from all stakeholders in their effort to develop strategies to meet the Governor's greenhouse gas (ghg) emission targets. Overall, PFT supports the report's findings and proposed forest sector strategies, which recognize the significant potential of California's forests to help mitigate statewide GHG emissions.

PFT is a California-based nonprofit organization dedicated to sustaining America's private forests for their public benefits. Founded in 1993, PFT engages creatively and collaboratively with landowners, forest managers, government agencies, and the public to sustain private, working forests for all the public values they provide. For over a decade, PFT has worked with state, federal and international stakeholders to develop and facilitate a market for forest carbon to promote forest conservation and climate benefits. In this capacity, we have been extensively involved in the development of a forest carbon accounting protocols for the California Climate Action Registry (the Registry) and the World Resources Institute.

PFT submits the following policy and technical comments to support and clarify the options and recommendations listed in the draft Climate Action Team Report:

### **Policy Recommendations:**

***PFT urges the Administration and legislature to take immediate action to address climate change***

The Pacific Forest Trust supports the greenhouse gas emission reduction targets announced by Governor Schwarzenegger in June, 2005 and urges the Administration and legislature to work together to implement policies to achieve these targets. Immediate action to address climate change is necessary to reduce the impacts and costs

The Presidio • 1001 -A O'Reilly Avenue • San Francisco, CA 1  
94129

415.561.0700 • [info@pacificforest.org](mailto:info@pacificforest.org) • [www.PacificForest.org](http://www.PacificForest.org)



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that climate change will inevitably have on our environment and economy. With respect to the forest sector, PFT agrees with the CAT scenario analysis for the forest sector and believes that climate change threatens the overall ability of California's forests to sustain themselves. Rising temperatures will lead to increased fire frequency and intensity and, in general, will make our forests more vulnerable to pest outbreaks and disease. Among other things, these impacts will have significant implications for our forests' ability to hold and filter water and regulate its flow, affecting the state's water supply system. The increased frequency and intensity of fire will also create additional stresses for the state in its ongoing effort to manage fire, which currently occupies an overwhelming majority of the California Department of Forestry and Fire Protection budget.

***The Pacific Forest Trust supports the inclusion of forest sector-based greenhouse gas emission reduction strategies to help achieve the Governor's emission reduction targets***

California's forest sector can play a significant role in achieving the Governor's greenhouse gas emission reduction targets. By increasing overall forest carbon stocks across the landscape, through activities like forest conservation, changes in forest management, and reforestation, California's forests can achieve significant climate benefits. Carbon dioxide emitted from our forests can be reduced, existing forest carbon stocks can be maintained, and additional CO<sub>2</sub> emissions can be absorbed from the atmosphere and stored in our forests, including the products they produce. In California, these activities could achieve more than 740 million tons of CO<sub>2</sub> emission reductions over the next twenty years<sup>1</sup>.

***Any climate policy that includes the forest sector should incorporate commonly accepted principles for greenhouse gas emission reductions***

PFT supports the CAT's recommendations that forest-based greenhouse gas reduction projects, like greenhouse gas reduction projects in any other sector, must be real, additional to regulation, quantifiable, verifiable and permanent. For forest sector projects to be effective, they must embody these accounting principles, and there must be a standardized accounting structure to quantify forest-based CO<sub>2</sub> emissions and emission reductions.

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<sup>1</sup>California Energy Commission Public Interest Research Program. (2004). *Winrock terrestrial carbon supply curves*



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As the CAT report indicates, California already has standardized accounting rules for the quantification of forest-based GHG emissions and reductions through the California Climate Action Registry (the Registry) Forest Protocols. These Protocols were produced over a three-year period through a rigorous public multi-stakeholder<sup>2</sup> process. PFT urges policy-makers to incorporate these Protocols into future forest climate policies like the options listed in the draft CAT Report Table 7-1. This standardized accounting is a critical building block for any greenhouse gas emission reduction policy.

***Forest-based greenhouse gas emission reduction strategies should be included in immediate efforts to reduce ghg emissions***

PFT recommends the inclusion of forest-based emission reduction strategies in near-term efforts to reduce ghg emissions. Existing forest conservation programs in the state could be utilized to help achieve immediate forest-based greenhouse gas emission reductions. As mentioned in the CAT report, California's Forest Legacy Program could be augmented and refined to facilitate forest practices that achieve climate benefits. The Forest Legacy Program is a conservation program that facilitates the conservation, through the use of perpetual easements, of productive forestlands that are threatened by development. Preventing the conversion of forestland to another use provides climate benefits, as it prevents or minimizes the CO<sub>2</sub> emissions that are associated with forestland loss.

The California Forest Legacy Program process currently depends on the selection and funding process of the federal Forest Legacy Program. This link to the federal process, while helpful, often causes long delays in the procurement of funding for time-sensitive projects, and the amount of funding available at the federal level for Forest Legacy projects is far out-paced by the national demand. The lengthy project selection process, coupled with limited amount of federal funds, make the Forest Legacy Program less effective than it could be in California.

The state program could be made more efficient procedurally, and ultimately, more effective if the California program were given more flexibility to operate independent of the federal program. This policy adjustment could likely be made at the agency level

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<sup>2</sup> The multi-stakeholder workgroup that drafted the protocols included The Pacific Forest Trust, Mendocino Redwood Company, Hancock Natural Resources Group, The Nature Conservancy, Winrock International, the California Department of Forestry and Forest Protection, The California Energy Commission and the California Climate Action Registry. Public review and comment on the Protocols were facilitated through a multi-stakeholder expert review process, a CEC sponsored public workshop and three public Board meetings at which the public could comment.



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without the need for a legislative amendment. Concurrent with this adjustment, the state should seek to provide additional funds to the state Forest Legacy program so that it has adequate funding to secure more forest projects that achieve climate benefits, in addition to the other ecological benefits that the program requires. The state could also seek similar climate objectives in its other existing conservation programs, such as its regional conservancy programs. Among the project selection criteria in these programs, conservancies could also consider climate benefits as criteria for funding projects.

***The State's Pension System should include investment in forestlands that are managed and protected to achieve long-term climate benefits***

PFT agrees with the CAT recommendation of a coordinated investment strategy for the state's pension system so that it reflects a commitment to a low-carbon footprint. As part of this strategy, the pension system should include in its portfolio investments in forestlands that are managed and protected to achieve greenhouse gas emission reductions. This effort could be a near-term strategy to help meet immediate emission reduction goals within the forest sector.

***The forest sector can play a positive role in a greenhouse gas emission cap and trade policy***

PFT supports the CAT report option of a comprehensive greenhouse gas cap and trade system that includes the forest sector to achieve greenhouse gas emission reductions within the state. The inclusion of forest-based emission reductions (e.g., conservation, forest management and reforestation) in such a program can allow flexibility for capped entities to most effectively and efficiently meet individual greenhouse gas reduction targets. If the forest sector is included as offsets in such a program, as mentioned earlier, they must be additional, quantifiable, verifiable and permanent. PFT supports this CAT report acknowledgment and agrees that the California Climate Action Registry Forest Protocols provide the accounting framework to ensure forest-based ghg emission reductions meet these criteria.

The inclusion of forest-based offsets in a greenhouse gas cap and trade program can have multiple public benefits. In addition to ghg reductions, the inclusion of the forest sector in a cap and trade program can produce economic benefits for forest landowners, as landowners can receive a new income stream from managing their forests to produce additional climate benefits. This additional income can help maintain local timber economies.



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Moreover, forest-based greenhouse gas emission reduction projects can achieve many local environmental benefits. The conservation, restoration and management of forestland to protect and increase carbon in our forests can foster the biodiversity and resiliency of our forests. These activities can also protect and enhance water quality and habitat for species. These efforts, in effect, can help foster the very values that California will likely seek to protect from the negative effects of climate change.

## **Technical Edit Suggestions:**

PFT provides the following recommended edits with respect to forest sector recommendations in the draft CAT Report:

***The Report should acknowledge forest-based greenhouse gas reduction benefits as a measure of overall forest carbon stocks***

Pages 50 through 52 of the draft Report refer to particular activities, such as conservation, reforestation and changes in forest management that may be undertaken to achieve climate benefits. As an overarching principle for these kinds of projects, it should be acknowledged that emission reductions achieved through these types of projects are a measure of increased overall forest carbon stocks and/or the prevented release of forest carbon stocks. This clarification will minimize confusion that is often associated with growth rates/sequestration rates as a measure of ghg emission reductions. While growth rates or rates of sequestration indicate how quickly benefits may be achieved, rates alone are not a measure of greenhouse gas reductions.

***Forestland Conversion is caused by a variety of factors***

On page 51 of the draft Report, it should be clarified that conversion of forestland is driven by a number of factors, population pressure, rising real state values, aging demographics of landowners, relative costs of regulation, and increasing global competition in the timber industry. Therefore, creating cost savings or providing financial incentives (such as new income streams for carbon) for forest landowners can help overcome these factors that are behind forestland conversion and the associated loss of forest climate benefits.

***Afforestation should be defined so that it does not create unintended consequences/environmental harm***



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The Report lists, on p. 52, afforestation (tree planting) and reforestation projects as activities to achieve climate benefits. The California Climate Action Registry Forest Protocols define reforestation as forest projects that are based on the restoration of native tree cover on lands that were previously forested, but have been out of tree cover<sup>3</sup> for a minimum of ten years<sup>4</sup>. This definition was crafted to ensure that reforestation efforts are focused on the restoration of native forests and ecosystems versus planting trees on lands that were never forested, which could have unintended environmental consequences.

The Kyoto Protocol defines afforestation as the direct human-induced conversion of land that has not been forested for a period of at least 50 years to forested land through planting, seeding and/or the human-induced promotion of natural seed sources<sup>5</sup>. The CAT Report should clarify if it is using the afforestation definition of the Kyoto Protocol and if so, it should advise policy makers to carefully consider afforestation policies, so that they are constructed in a manner that will not cause environmental harm.

## *Clarify that the Forest Legacy Program is an existing state program*

On page 51, the last paragraph of the Forest Conservation section suggests “establishing a state forest conservation program that operates independently from the federal Forest Legacy program”. As mentioned earlier, PFT supports the CAT recommendation to adjust the existing state Forest Legacy Program so that it may function independent of the federal Forest Legacy Program. Therefore, a new program does not need to be established, as this paragraph seems to suggest. Rather, adjustments to the existing program can likely be made at the state agency level.

## *California has roughly 7.4 million acres of privately owned forestland*

Page 50 of the CAT report refers to 4 million acres of forestland that is managed in California. To clarify this statement, we suggest a revision of this sentence to acknowledge that California has roughly 7.4 million acres of privately owned forestland in California with 4.2 million acres classified as industrial.

<sup>3</sup> “out of tree cover” is defined as any land with less than 10% canopy cover.

<sup>4</sup> California Climate Action Registry Forest Project Protocol, Part II, Section A. Forest Project Types

<sup>5</sup> United Nations Climate Change Conference. Meeting of the Parties to the Protocol. (2005). *Land Use, Land Use Change, and Forestry*.



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The Pacific Forest Trust appreciates the significant effort that the Climate Action Team has invested in the development of this report. We believe the Report includes sound and feasible options and recommendations to meet the Governor's greenhouse gas emission reduction goals and urge the Governor and legislature to take immediate action to implement them. We look forward to working with the CAT, the Governor and the legislature in the future to realize these goals and provide additional input regarding effective ways to engage the forest sector in climate policies.